

STATE OF WASHINGTON  
GAMBLING COMMISSION

In the Matter of the Revocation of the License  
to Conduct Gambling Activities of:

Kao C. Saechao  
Kent, Washington,

Licensee.

NO. CR 2013-01919

**NOTICE OF ADMINISTRATIVE  
CHARGES AND OPPORTUNITY  
FOR AN ADJUDICATIVE  
PROCEEDING**

I.

Kao C. Saechao received the following license subject to compliance with state gambling laws and regulations, from the Washington State Gambling Commission:

Number 68-17680, authorizing Card Room Employee activity at Lucky Dragonz Casino, Seattle, Washington.

II.

David Trujillo, Director of the Washington State Gambling Commission, charges the licensee with the following violations of the Washington State Gambling Act, 9.46 RCW, and WAC Title 230:

**SUMMARY:**

The licensee is not qualified to be licensed based on a 2003 federal conviction for Bank Embezzlement. The licensee took \$24,422 for his own personal use while employed as a teller manager at Bank of America. The licensee later violated the terms of his probation in 2007 and 2008 by gambling in card rooms as documented by Commission Special Agents. The licensee obtained his license by failing to disclose his conviction on his application. Licensing staff did not get information about the licensee's federal Bank Embezzlement conviction until after the license was issued.

**FACTS:**

- 1) The licensee, Kao C. Saechao applied for a Card Room Employee (CRE) license in September 2013 to work at Lucky Dragonz Casino in Seattle. Mr. Saechao previously held a CRE license between 2003 and 2004.
- 2) About one week after Mr. Saechao received his CRE license, a Special Agent (agent) reviewed Mr. Saechao's application after learning of Mr. Saechao's arrest by the United States Marshals for a probation violation on July 24, 2008. Upon further research, the agent found

federal criminal charges had been filed against Mr. Saechao on August 18, 2003, and that Mr. Saechao was convicted of federal Bank Embezzlement charges on March 17, 2004. Licensing staff's initial background investigation included a search for Washington State criminal history only. None was found, and therefore, Mr. Saechao obtained a license.

3) The agent reviewed the Information filed against Mr. Saechao in the United States District Court, Western District of Washington at Seattle. The United States Attorney charged Mr. Saechao with Bank Embezzlement for knowingly and willfully embezzling and misapplying \$24,442.76, while employed as a bank teller manager at Bank of America, with intent to injure the bank, and he removed funds without authorization "from his assigned cash drawer and teller locker and used the funds for his own personal use and benefit."

4) Mr. Saechao pleaded guilty to one count of Bank Embezzlement, violating Title 18, United States Code, Section 656, and agreed to the following facts: Mr. Saechao was a bank teller manager of the Bank of America, and knowingly and willfully embezzled and misapplied moneys, funds and credits over \$1,000, a felony, and without authorization, he took cash from his assigned cash drawer and teller locker and used the cash for his own personal benefit.

5) The agent reviewed Mr. Saechao's Judgment and Sentence filed on March 17, 2004. Mr. Saechao was sentenced to five years of probation. The conditions of Mr. Saechao's probation included, support of his dependents and meeting other family responsibilities, and working regularly at a lawful occupation (unless excused by the probation officer for education, training or other "acceptable" reasons). Mr. Saechao was also required to immediately pay \$24,442.66 in restitution, and was prohibited from gambling, entering, frequenting, or being "otherwise involved with any legal or illegal gambling establishment or activity, except if approved by defendant's probation officer."

6) The agent reviewed case reports written by other Commission agents in 2007 documenting Mr. Saechao's presence in card rooms, and participation in poker tournaments. The 2007 case reports were forwarded to Mr. Saechao's probation officer and Mr. Saechao was ultimately found to have violated his probation. The court sentenced Mr. Saechao to one day in prison with credit for time served, and imposed four more years of probation. The court found Mr. Saechao violated his probation by (1) gambling, (2) failing to make restitution, (3) failing to work regularly at a lawful occupation, and (4) failing to support his dependents.

7) In 2008, a card room captured Mr. Saechao's presence playing in a poker tournament on surveillance video. The Commission agent gave this information to Mr. Saechao's probation officer, and Mr. Saechao was again convicted of violating his probation. On July 24, 2008, Mr. Saechao was sentenced to three months in federal prison, and three additional years of probation were imposed. Additional conditions of probation included a prohibition from "employment at any establishment which offers any form of gambling."

8) The agent reviewed the licensee's application where it asks whether the applicant has ever been arrested, charged with a crime, been convicted, jailed or placed on probation. The application instructs applicants they must answer "Yes" even if the charges were dismissed, deferred or changed, and they must fully explain each charge. The application further instructs applicants that false or incomplete information may cause denial, suspension, or revocation of a

license. Mr. Saechao checked "No" and did not disclose his 2003 conviction of a federal crime, his probation violation convictions in 2007 and 2008, and that he received an additional three years of probation in 2008.

9) Mr. Saechao provided the agent with a copy of a "Notice of Termination-Supervised Release/Probation," signed by Mr. Saechao's probation officer. The agent noted it was signed and dated on September 30, 2013.

10) The application also contains an Oath of Applicant stating, "I declare under penalty of perjury, under the laws of the State of Washington, that all information provided on this application is true and complete to the best of my knowledge. I understand that untruthful, misleading, or incomplete answers whether through misrepresentation, concealment, inadvertence, or mistake, are cause for denial of my initial application or revocation of any gambling license(s) currently held and will be disclosed to my employer." Mr. Saechao signed the application directly beneath the Oath of Applicant, on September 18, 2013, but failed to disclose material facts to the Commission concerning his criminal history.

11) As of the date the Commission Director issued the administrative charges, Mr. Saechao was not employed as a card room employee.

#### **VIOLATIONS:**

##### **1) RCW 9.46.075 Denying, suspending, or revoking an application, license or permit**

The commission may deny an application, or suspend or revoke any license or permit issued by it, for any reason or reasons, it deems to be in the public interest. These reasons shall include, but not be limited to, cases wherein the applicant or licensee, or any person with any interest therein: (The following subsections apply.)

(1) Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by chapter 9.46 RCW and any amendments thereto, or any rules adopted by the commission pursuant thereto, or when a violation of any provision of chapter 9.46 RCW, or any commission rule, has occurred upon any premises occupied or operated by any such person or over which he or she has substantial control.

(3) Has obtained a license or permit by fraud, misrepresentation, concealment, or through inadvertence or mistake.

(4) Has been convicted of, or forfeited bond upon a charge of, or pleaded guilty to, forgery, larceny, extortion, conspiracy to defraud, willful failure to make required payments or reports to a governmental agency at any level, or filing false reports therewith, or of any similar offense or offenses, or of bribing or otherwise unlawfully influencing a public official or employee of any state or the United States, or of any crime, whether a felony or misdemeanor involving any gambling activity or physical harm to individuals or involving moral turpitude.

(7) Makes a misrepresentation of, or fails to disclose, a material fact to the commission.

(8) Fails to prove, by clear and convincing evidence, that he is qualified in accordance with the provisions of this chapter.

(10) Has pursued or is pursuing economic gain in an occupational manner or context which is in violation of the criminal or civil public policy of this state if such pursuit creates probable cause to believe that the participation of such person in gambling or related activities would be inimical to the proper operation of an authorized gambling or related activity in this state. For the purposes of this section, occupational manner or context shall be defined as the systematic planning, administration, management or execution of an activity for financial gain;

**2) WAC 230-03-085 Denying, suspending, or revoking an application, license or permit**

We may deny, suspend, or revoke any application, license or permit, when the applicant, licensee, or anyone holding a substantial interest in the applicant's or licensee's business or organization:

(The following subsections apply.)

(1) Commits any act that constitutes grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075.

(3) Has demonstrated willful disregard for complying with ordinances, statutes, administrative rules, or court orders, whether at the local, state, or federal level.

(8) Poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by:

- (a) Prior activities; or
- (b) Criminal record.

**3) RCW 9.46.153(1) Applicants and licensees-Responsibilities and duties**

It shall be the affirmative responsibility of each applicant and licensee to establish by clear and convincing evidence the necessary qualifications for licensure of each person required to be qualified under this chapter, as well as the qualifications of the facility in which the licensed activity will be conducted.

The licensee, Kao C. Saechao, is not qualified for a license based on his 2003 federal felony conviction for Bank Embezzlement of \$24,442.76 while employed as a bank teller manager. Mr. Saechao also violated the terms of probation in 2007 and in 2008 by playing in poker tournaments in Washington State card rooms.

Mr. Saechao was released from probation on September 30, 2013. A few weeks prior to his release from probation, Mr. Saechao failed to disclose his criminal history on his 2013 card room employee application. Mr. Saechao was inadvertently issued a license based on his failure to disclose a material fact to Commission staff, and through his concealment of his criminal history.

Mr. Saechao's criminal record and prior activities demonstrate he poses a threat to the effective regulation of gambling, and that he pursued economic gain in a context which violated criminal laws creating probable cause to believe that Mr. Saechao's participation in gambling would be

inimical to the proper operation of authorized gambling in Washington State. He has failed to prove by clear and convincing evidence the qualifications for licensure as required by RCW 9.46.153. Therefore, under RCW 9.46.075(1), (3), (4), (7), (8) and (10), and WAC 230-03-085(1), (3) and (8), grounds exist to revoke Mr. Saechao's card room employee license.

III.

Jurisdiction of this proceeding is based on 9.46 RCW, Gambling, chapter 34.05 RCW, the Administrative Procedure Act, and WAC Title 230.

The licensee will have the opportunity to have a hearing on the alleged violations.

**To have a hearing or discuss settlement options**, the enclosed request for hearing must be completed and returned to the Gambling Commission **within 23 days** from the date of the mailing of this notice.

Based on RCW 34.05.440, failure to return a request for hearing will cause the entry of a default order REVOKING your license.

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF THURSTON )

David Trujillo, being duly sworn on oath, says: That he has read this Notice of Administrative Charges and Opportunity for An Adjudicative Proceeding, knows the contents, believes it to be true, that he is the Director of the Washington State Gambling Commission, and in that capacity has executed said Notice.

*D. Trujillo*

DAVID TRUJILLO, DIRECTOR

SUBSCRIBED AND SWORN TO before me  
this 8 day of November, 2013.

*Maureen Pretell*

NOTARY PUBLIC in and for the State of  
Washington residing at Thurston County  
My commission expires on December 2, 2015

STATE OF WASHINGTON )  
 )  
COUNTY OF THURSTON )

I certify I have this day served a copy of the document upon all parties of record in the proceeding by mailing a copy, property addressed with postage prepaid, by regular and certified mail to each party to the proceeding or his or her attorney or authorized agent.

Dated at Olympia, Washington this 8 day of November, 2013  
*Maureen Pretell*



CR 2013-01919

THE STATE OF WASHINGTON  
COUNTY OF KING  
I, the undersigned, do hereby certify that the within and foregoing is a true and correct copy of the original as the same appears from the records of the County of King, State of Washington.

Witness my hand and the seal of said County at the City of Seattle, this 1st day of December, 1912.

County Clerk

Attest:

Notary Public

My commission expires

*Handwritten signature*

Notary Public

My commission expires

